

WATER AND SEWER FUND PROJECTION

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Revenues						
Water & Sewer Sales	\$ 74,991,037	\$ 82,895,927	\$ 91,463,353	\$ 96,394,731	\$ 101,691,852	\$ 107,343,206
Other Operating Revenues	550,600	561,612	572,844	584,301	595,987	607,907
Investment/Rental	931,470	950,099	969,101	988,483	1,008,253	1,028,418
Licenses and Permits	50,000	51,000	52,020	53,060	54,121	55,203
Frontage Fees/Assessments	863,940	881,219	898,843	916,820	935,156	953,859
Other Revenues	305,000	311,100	317,322	323,668	330,141	336,744
Appropriation from Fund Balance	760,898	-	-	-	-	-
Total Revenues	\$ 78,452,945	\$ 85,650,957	\$ 94,273,483	\$ 99,261,063	\$ 104,615,510	\$ 110,325,337
Appropriations						
Personal Services	\$ 20,489,311	\$ 20,899,097	\$ 22,153,043	\$ 23,482,226	\$ 24,891,160	\$ 26,384,630
Operating	25,342,237	28,141,718	28,704,552	29,278,643	29,864,216	30,461,500
Capital Outlay	80,000	81,600	83,232	84,897	86,595	88,327
Transfer to CIP	7,000,000	8,500,000	8,500,000	11,000,000	11,000,000	15,000,000
Transfer to Other Funds	2,876,536	2,934,067	2,992,748	3,052,603	3,113,655	3,175,928
Debt Service	22,664,861	23,466,856	30,117,372	31,064,163	31,069,343	27,834,685
Appropriation to Fund Balance	-	1,627,619	1,722,536	1,298,531	4,590,541	7,380,267
Total Appropriations	\$ 78,452,945	\$ 85,650,957	\$ 94,273,483	\$ 99,261,063	\$ 104,615,510	\$ 110,325,337

Debt Coverage Ratio:

Parity Debt	3.40	3.38	2.52	2.47	2.23	2.36
All Debt	1.52	1.69	1.54	1.61	1.71	2.05

CIP Related:

Revenue or G.O. Bond Issue	\$ 56,452,526	\$ 54,509,570	\$ 20,893,835	\$ 44,688,189	\$ 15,050,495	\$ 43,841,613
CIP Appropriations	\$ 61,450,050	\$ 66,202,000	\$ 32,698,000	\$ 59,088,000	\$ 29,590,000	\$ 62,505,000
Rate Funded	\$ 7,000,000	\$ 8,500,000	\$ 8,500,000	\$ 11,000,000	\$ 11,000,000	\$ 15,000,000

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Revenue Assumptions

- The projection reflects a reserve for debt coverage that is intended to ensure that the City meets or exceeds the revenue bond rate covenants contained in the water and sewer revenue bonds. Adverse conditions such as water restrictions due to drought, or unseasonably wet years, place the City in jeopardy of not recognizing sufficient revenues to meet these covenants. The coverage ratio that must be maintained for parity debt is 1.25 and for all debt 1.0. Generally, only operating revenues can be utilized for computation of the coverage ratio.
- A rate increase for water and sewer consumption charges was adopted for FY 2009-10. For residential customers, water is billed at an increasing tiered rate intended to promote conservation. Non-residential customers will be billed for water consumption at the 3rd or middle tier rate. This rate increase is projected to equate to the following change for a residential customer:

Billing Period	2 CCF Monthly Use	4 CCF Monthly Use	8 CCF Monthly Use	12 CCF Monthly Use	16 CCF Monthly Use
Monthly Increase	\$0.00	\$3.07	\$4.82	\$7.56	\$20.70
Bi-Monthly Increase	\$0.00	\$6.13	\$9.64	\$15.11	\$41.39
Annual Increase	\$0.00	\$36.79	\$57.82	\$90.67	\$248.35

- The rate model utilized for the projection includes future rate increases based on growth in operating expenses. The rate model also assumes full funding of the proposed CIP by utilization of revenue and/or General Obligation bond issues.

- Water and Sewer Sales include both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities.
- Most non-rate revenue sources are projected to increase by 1.9% annually.

Appropriation Assumptions

- Personal Services costs increase at a rate of 5% annually.
- Operating costs increase at a rate of 2% annually.
- Capital costs increase at a rate of 2% annually.
- The non-departmental costs generally increase at a rate of 2% annually.
- Debt Service projections for existing debt as provided by the City's Finance Department are further projected with proposed future debt service on general obligation bonds to be issued as approved in the 2005 bond referendum, and future revenue bonds and/or General Obligation bonds issued to fund the proposed CIP in fiscal year 2010 and out.
- Transfers to other funds includes funding transferred to the Fleet Acquisition Fund for purposes of fleet vehicle and heavy equipment purchases.